

**UNIVERSITY COLLEGE LONDON**

**MSC FACILITIES AND ENVIRONMENT  
MANAGEMENT**

**MSC REPORT**

**COMPARISONS OF FM SERVICE DELIVERY AND  
PERFORMANCE UNDER UK PFI AND NON-PFI  
HEALTH SCHEMES**

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## 1.0 INTRODUCTION

### 1.1 Overview

Private Finance Initiative (PFI) was introduced in 1992. The aim of this partnership is to increase the involvement of the private sector in the provision of public services and the improvement of service performance and delivery in public sector.

Fourteen years on, PFI has now progressed to become one of the major funding sources across a wide range of UK government departments i.e. health, education, transport, etc. It is reported that there are over 700 projects signed to date with a combined capital value of nearly £50 billions and rising.

In 2005, the healthcare commission<sup>1</sup> issued an article "*Acute hospital Portfolio Review: Pathology, Facilities Management, Therapy and Dietetics Information and Records*" which commented that "there is no clear pattern of cost and quality differences for FM services in PFI and non PFI Trust other than higher cost of security, higher quality of linen laundry and lower quality of cleanliness".

Treasury's recently also published an report on March 2006, entitled, "*Strengthening long term partnerships*", showing that FM services, especially Soft FM services, provided under PFI scheme are 'no better and no worse' than those provided in more conventional outsourced contracts, and that private sector's involvement in PFI has not lead to a giant step change in terms of service delivery and performance as the government expected.

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<sup>1</sup> Healthcare Commission " Acute hospital Portfolio Review: Pathology, Facilities Management, Therapy and Dietetics Information and Records" (2005) [www.healthcarecommission.org.uk](http://www.healthcarecommission.org.uk)

Upon reviewing those comments, we began to wonder whether FM service delivery and performance is better under the PFI scheme as the government intended or such services can also produce efficient cost savings and good service performance under traditional scheme.

## **1.2 Aims of Study**

The study aims to investigate the operational FM services delivery and performance to date under PFI and non-PFI schemes in the NHS. We seek the views and opinions from FM managers of the Trusts at either PFI or non-PFI hospitals. We will explore their experiences to date which reflecting on their current hospital environment and FM services provided.

The intention of these findings is (a) to understand that if PFI structure is working better than non-PFI schemes? (b) to compare the operational FM services under those schemes in relation to availability of asset and service performance i.e. design layout, rectifying failure, cost etc (c) finally to assess if FM service delivery and performance subsequently influence on patient choices?

## **1.3 Key Approaches and Report Structure**

The key approach to be taken for this research has been a desktop study based on the result of questionnaires and associated information provided by 20 selected PFI and non-PFI hospitals in the south region of the UK.

Few research methods were used for obtaining information of this report. Firstly, a structured questionnaire was used and a copy of which is attached in [Appendix 1](#) of this report. Secondly, in-depth interviews with selected projects. Moreover, the NHS ERICS return data was used for the comparisons of FM services costs as well as result of self-conduct Customer Satisfaction Survey produced by the Trusts, rating result of Healthcare Commissions, and scoring outcome of P.E.A.T., etc will be used

for comparisons in terms of customer feedback of services and facilities provided.

## 2.0 PFI VS NON-PFI

### 2.1 Background of PFI

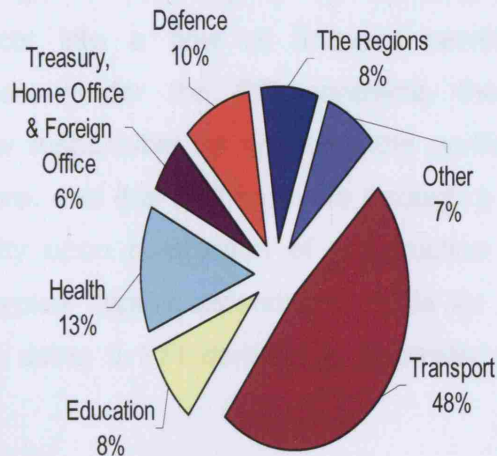
In the UK, the public services have been suffered from under-investment for a long period of time where repairs and maintenance backlogs have been built up on existing assets, and plans for new investment projects were subject to flaws in the budgeting system which encouraged short term and a bias against capital spending. To ensure that this increased investment translates into the maximum improvement in public service delivery, it has been matched by reform of the budgeting framework to protect capital investment programmes and to give new incentives for managing the public sector asset base more effectively.

It is known that many modifications to the ways in which facilities are traditionally financed have been introduced in the UK. Design, build, operate and finance (DBOF) is one of the approaches in the UK, also known as PFI /PPP initiative, is widely adopted for UK infrastructure projects. PFI has become one of the main ways of financing new public sector buildings. Introduced by the Tories in 1992, and ever since it has been expanded by the Labour government who are eager to complete new capital-intensive projects without increasing public spending (off balance sheet).

*PFI: Strengthening Long-Term Partnerships* (Mar 2006) states that “the UK Government sees PFI continuing to play an important role in the overall objective of delivering modernized public services”. It will continue to be used only where it can demonstrate value for money and is likely to continue to comprise around 10-15 % of total investment in public services. In September 2005, HM Treasury published statistics on the percentage and values of PFI projects signed up to that date (ref fig 1).

**Figure 1**

**Total Capital Value PFI Schemes in Sectors**



It is also reported that by October 2005, there are about 700 PFI projects signed and agreed across a wide range of sectors while circa of 450 projects were identified in an operational phase at the end of March 2005. Furthermore, a total PFI deal pipeline over the next 4 to 5 years (by 2010) is reported around 200 projects with a value of £26 billion in capital value, one of the largest comparable programmes in the world. Upon reviewing above figures, it is no doubt that PFI has become an important way to procuring public sector infrastructure and replacing the outdated existing facility and services.

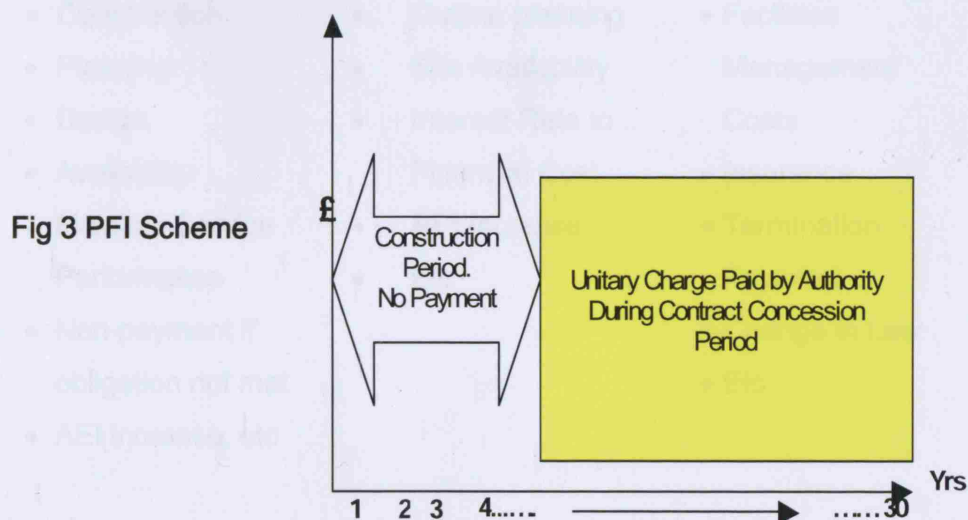
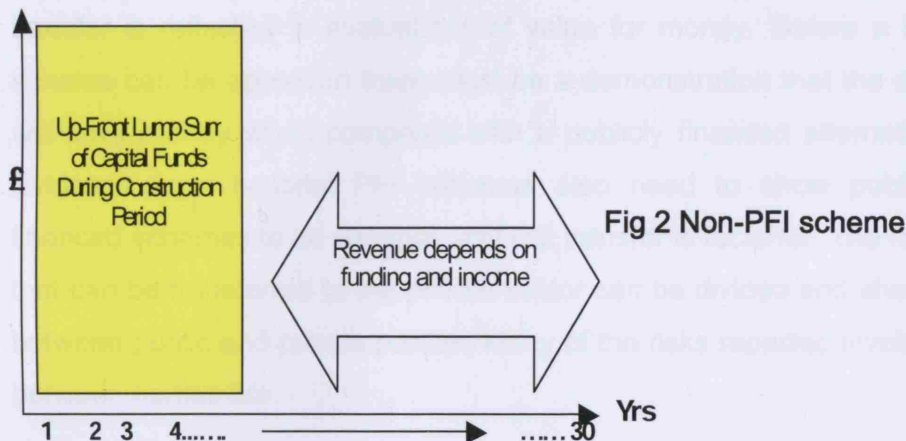
A brief review and comparisons of the PFI and non-PFI schemes in relation to the perspectives of capital cost/revenue, risk and value is discussed in this section 2.2. to 2.4 of this report.

## **2.2 Capital Expenditure**

For a traditionally capital project, the construction and operation of a new infrastructure project has required the authority to provide significant up-front capital funding during the construction phase, followed by reduced levels of revenue funding during the operational



phase (ref fig 2). On the other hand, PFI contracts introduce private sector finance and provide an opportunity for the public sector to translate the large up-front capital expenditures associated with traditional projects into a flow of frequent service payments in operational phase. Under the PFI contracts, the private sector contractor is now responsible for financing the up-front lump sum of capital expenditure, and this cost recovers through a unitary payment from the authority upon completion of construction and facilities in operation. The typical capital expenditure profile for an infrastructure project procured using a PFI contract is illustrated in the Figure 3 below.



## 2.3 Risks Transfer

For traditional schemes, when a new infrastructure project is required, the authority will have to provide significant lump sums of capital funding during the construction phase. As a consequence the authority has normally borne the risks associated with cost and restrained budget, the project often delivers such results as time overruns, poor and unpractical design of assets, and unsatisfied service quality.

For PFI schemes, risk transfer considers being one of the key justifications because PFI would not be worth undertaking without substantial risk-taking by the private sector. The importance of risk transfer is reflected in evaluations of value for money. Before a PFI scheme can be approved there must be a demonstration that the deal will save money when compared with a publicly financed alternative. Evidence from hospital PFI schemes also need to show publicly financed schemes to be cheaper until risk transfer is factored. The risks that can be transferred to the private sector can be divided and shared between public and private parties. Many of the risks reported involved between parties are: -

Private	Public	Share
<ul style="list-style-type: none"><li>• Construction</li><li>• Planning</li><li>• Design</li><li>• Availability</li><li>• Maintain Service Performance</li><li>• Non-payment if obligation not met</li><li>• AEI increase, etc</li></ul>	<ul style="list-style-type: none"><li>• Outline planning</li><li>• Site Availability</li><li>• Interest Rate to Financial Cost</li><li>• RPI Increase</li><li>• Etc</li></ul>	<ul style="list-style-type: none"><li>• Facilities Management Costs</li><li>• Insurance</li><li>• Termination Payment</li><li>• Change in Law</li><li>• Etc</li></ul>

## 2.4 Value for Money

- 3.1 Under PFI scheme, the authority intends to embark on negotiating the array of service contracts with a private sector. The private sector will have to benchmark the cost of what is required to obtain value for money via undertaking an exercise to estimate the cost of the project if the public sector were to do it on its own. The benchmark arrived at is called the Public Sector Comparator (PSC) and whilst authorities have issued guidelines on the PSC, when it is to be used and the factors involved.

Both the PSC and the PFI option assume that the assets will be maintained and replaced to the same performance level, and that the client will operate all the service elements as defined in the output specification over the life of the contract. When PFI projects move onto operational phase, FM service providers required to supply a better FM services with less cost than its public sector counterpart and this is often formed as a contract clause within Project Agreement, called benchmarking/ market testing, to ensure VFM throughout the whole concession period of 25-35 years.

## 3.2 Research Methods

The research is a desktop based study. It will make use of a combination of materials to collect data. In-depth interviews and review documents published by UK government or other associated parties. Planned stages of research include:

- ✓ Design context for questionnaire



## 3.0 METHODOLOGY

### 3.1 Terms of Reference

In 1992 the Private Finance Initiative (PFI) was announced with the aim of increasing the involvement of the private sector in the provision of public services and the improvement of service performance and delivery.

The progress of NHS PFI projects have been at fast pace with hard lessons learnt and achievements yet to be measured and determined. Whilst there are positive feedbacks of PFI health schemes in term of innovation, moderate infrastructure, and risk transfer, there are also questions raised by the public whether PFI projects prove to be expensive and have not delivered the service standard to what is expected.

Recent publication of HM Treasury currently on "*PFI: strengthening long term partnerships 3/06*", which provides a view of PFI contracts and expresses that while FM services, especially Soft services, provided under PFI are in general no better and no worse than those provided in more conventional outsourced contracts, and that their involvement in PFI "has not lead to a step change in delivery in this area". Many arguments of bringing back Soft FM service in house and the FM Services delivery and performance of PFI contracts are being questioned.

### 3.2 Research Methods

The research is a desktop based study; it will make use of a combination of methods to collect data, in-depth interviews and review documents published by UK government or other associated parties. Planned stages of research include:

- ✓ Design content for questionnaire

- ✓ Design interview questions
- ✓ Select and contact participants into the study (sampling)
- ✓ Conduct Semi-structured interviews
- ✓ Conduct questionnaires research
- ✓ NHS ERICS Return data
- ✓ Health Commissions Surveys
- ✓ Collecting Department of Health PEAT data
- ✓ Collecting Department of Health Static data e.g. Absence, etc
- ✓ Analyse data
- ✓ Produce findings and report

The scope of the review was restricted to health projects that are currently in operation for this study. Twenty Questionnaires and six in-depth interviews were carried out during May to August 2006 with response rate of 100% for this report. All interviews were conducted between 30 minutes to 1 hour and were hand note recorded. All participants are FM directors who have been involved in daily FM service operation within their Trusts.

Upon the information received and research feedback provisions of FM services, this report would summarize the main findings of PFI and non-PFI health schemes in the following areas:

- Design Prospect
- Estate and Lifecycle Management
- Energy Management
- Service Specifications and Standard
- Performance Monitoring Measure and Penalty Regime
- FM Costs (VFM)
- Flexibility of Services

- Customer Satisfaction Survey
- PEAT review
- Communications and Relationship
- Staffing Training and Absenteeism

### 3.3 Participants

Ten PFI and ten non-PFI hospitals that based in the region of South England were selected for this research. Questionnaires and interviews were carried out during May to August 2006 and samples of participants for this research are shown below: -

#### PFI Hospitals

- Darent Valley Hospital;
- University College London Hospital;
- Kings College Hospital;
- South Buckinghamshire Hospital;
- Bromley Hospital;
- etc

#### Non-PFI Hospitals

- Royal Brompton Hospital;
- St Mary's Hospital;
- Royal Free Hospital;
- Watford Hospital;
- Taunton and Somerset Hospital;
- etc

## **4.0 COMPARISONS**

Facilities Management has many elements of aspects of service delivery and performance i.e. premises, design planning, assets maintenance, energy management, Helpdesk/IT systems, service costs, staffing matters, and so on. Everything must be tightly coordinated to ensure complete and timely service delivery at the lowest cost and to support the core business. A well-disciplined service delivery process will help companies maximize effectiveness, improve employee productivity and gain global visibility.

Over 80% of participants confirmed that the FM services hold a very valuable role within their hospitals and agreed the outcome of service performance would ultimately affect on patient choices. Upon the information received and research feedback for the provisions of FM services under PFI and non-PFI schemes, this report would summarize the findings in the following section 4.1-4.13 of this report.

### **4.1 Design Prospect**

UK Treasury Taskforce guidance states “at its broadest, design is the process in which intelligence and creativity is applied to a project in order to achieve an efficient and elegant solution. As far as buildings are concerned, good design is not an 'optional extra', rather it is inherent in the way the brief is responded to from the very beginning. Design encompasses functional efficiency, structural integrity, sustainability, lifetime costing, and flexibility as well as responsiveness to the site and to its setting” (2000).

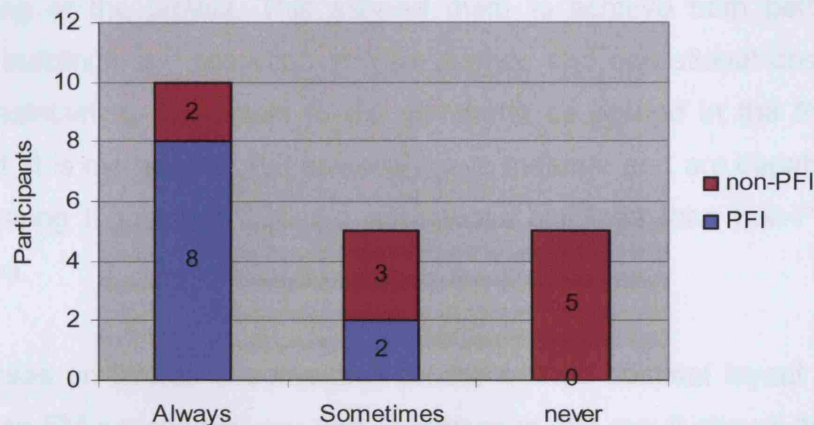
A fit-for-purpose design is seen to be one of the crucial keys to success of any business operation, and there is a link between good facilities management input and design layout with the building. It is therefore imperative that facility managers need to feed operational information



perceptions into the building design for the benefit of a better FM services delivery and performance.

When we asked participants 'have FM specifications or service requirements always been incorporated into hospital design?', the finding shows that all PFI projects have taken FM service requirements into consideration and aim to engineer a design that will meet both the fitness for purpose and also achieve the required performance standards that enhance the overall competitiveness and value for money, however, the non-PFI health schemes have poorer responses in this aspect (ref figure 4)

Fig 4: Does FM specifications or service requirements have always been incorporated into hospital design/layout



It is evident that for the traditional hospital buildings, the design priorities do not always lie with achieving functionality of the facilities. The design teams often walked away from a project once it is handed over to the trusts and having given little thought to its subsequent operation and end user's needs in practice. This research found that only 20% of non-PFI FM managers have ever got involved during design process when a new-build project is proposed or any internal alterations of existing buildings. They considered that FM service requirements do not always to be considered during the designed process and this lack of design input has caused difficulty in terms of service delivery and building maintenance for example, (a) floor

surfaces are not so simple to enable quick methods of cleaning especially those that require to be clean for clinical reasons, (b) difficult access to windows for cleaning both external and internal. Ultimately, this also implicates the lifecycles of building components such as some fabric or elements require regular attention and maintenance with extra cost and resources.

Conversely, functional design is an integral part of the PFI process, and scope of FM requirements are to be included during design process to ensure that full FM value engineering to be included and to maximize upon operational performance and efficiencies in the delivery of FM services. Eighty percent of PFI respondents agreed that the quality of design in PFI projects was investing in good design at the beginning of the project. This allowed them to achieve both better quality buildings and reduction in maintenance and operational costs while maintaining the assets to the standards as agreed in the PFI contract. It is evident that PFI schemes have matured and are capable of delivering higher and better quality public buildings than non-PFI schemes.

Responses on overall effectiveness on the current hospital layout in benefiting FM service delivery and performance, the result shows that sixty percent of PFI participants ranked as 'Good' and forty percent as 'Acceptable' standard whilst only twenty percent of non-PFI FM managers rated the hospital layout as an 'Acceptable' standard, and majority of eighty percent of participants considered it is a 'Poor' or 'Very Poor' design on the current hospital layout.

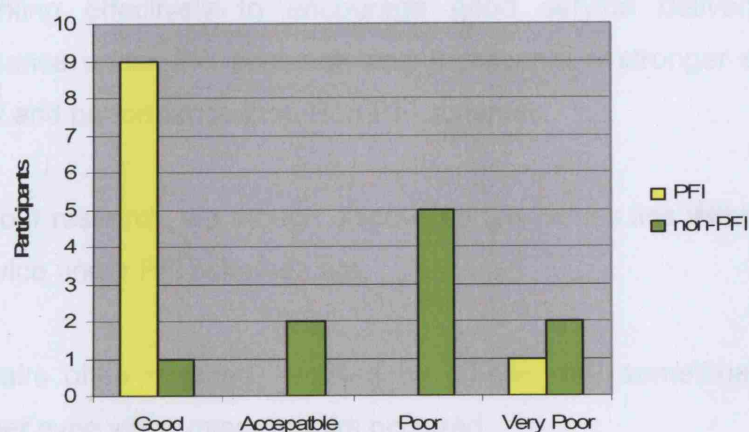
Overall, we can conclude that the effective design layout to meet FM requirements, no doubt, have worked more successfully under PFI schemes than non-PFI schemes to provide an effective FM service delivery and performance.

## 4.2 Estate Services: Planned and Reactive Maintenance

One of the key measures to assess the FM service delivery and performance lies on the availability of facilities and the effectiveness of Hard FM Maintenance such as planned and reactive maintenance services in preventing or avoiding unavailability occurred.

In responding to their current effectiveness of Hard FM Maintenance Services, this study shows that almost all PFI FM managers were happy with the availability of the asset and services provided, and ranked either to a 'Good' or 'Acceptable' standards. Conversely, non-PFI participants considered that effectiveness of Hard FM Maintenance service is seen as poor. This conclusion is supported by the fact that only 3 of non-PFI projects were reported to be achieving the estate service levels at 'Good/Acceptable' standards with 70% of participants referred their current Hard FM services as a 'Poor/Very Poor' standard (Ref Fig 5).

Fig 5: How effective is your Hard FM Maintenance service in preventing or avoiding unavailability of your facilities



Lifecycle management aims to establish the total expenditure on asset replacements and the condition of assets during the operational period, the finding indicates that such costs are always in place under PFI schemes to assist management in the decision-making process and

this has created a strong focus point for facility managers who not only emphasise on quality of service delivery, but also require their attention to maintain building standards in order to meet the service requirements accordingly in a long-term strategy aspect. On the contrary, non-PFI hospitals are not always having this option and often depend on budgets available or not (ref table 2 below). Some non-PFI trusts however do have a condition appraisal of all assets indicating life expectancy and cost to repair / replace which based on risk and aim of eradicating building backlog is purely dependent upon the availability of block capital.

**Table 2 LCC management and funds in place**

	<u>PFI</u>	<u>Non-PFI</u>
Yes, Always	8	0
About half of time only	2	3
No, no such fund	0	7

Result has shown the overall Hard FM service performance with regards to estate maintenances and lifecycle management appear to be working effectively to encourage good service delivery and performance under PFI schemes and it presents a stronger service delivery and performance than Non-PFI schemes.

During our research, we though discovered few issues lies within Hard FM service under PFI schemes are:

- (a) Repairs often required, rectified by off-site staff sometimes took longer even when minor repairs occurred.
- (b) Trusts also expressed their concerns that it was too early in the operational period to form proper judgements on whether life cycle maintenance was being carried out effectively.
- (c) Issues surrounding temperature (heating and cooling) within the hospital were also raised by a number of interviewees. Although



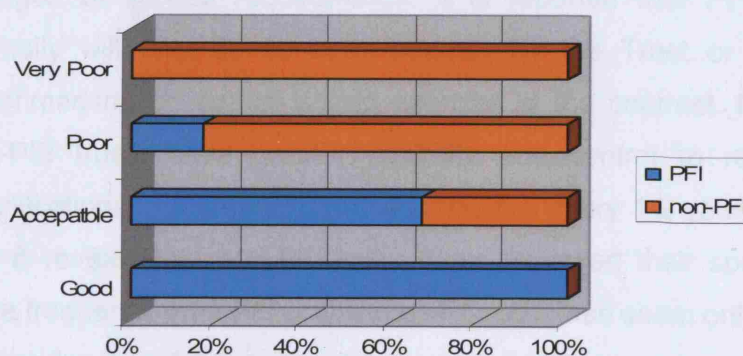
contracts identified the temperature ranges per area, it is difficult for authorities to closely monitor and determine if any service failure occurred.

### 4.3 Energy Management

Energy efficient building design and management will give substantial energy savings and lower occupancy costs. Most PFI buildings are designed for energy efficiency with on-going energy surveys to be carried out regularly, examining the supply chain, detailing the energy flow through the site, and identifying the energy wastage where efficiency can be improved.

In responding to the question of current status of Energy Management and Consumption on sites, 90% of PFI participants agreed that their current status for the facilities are to achieve at 'Good' or 'Acceptable' standards, but only 20% of non-PFI participants ranked their current energy management as a 'Acceptable' service (Fig 6). This outcome shows energy management and audit process to identify potential energy management opportunities that have worked more successful under PFI contracts than non-PFI contracts. This will be considered a plus point for the PFI scheme.

**Fig 6 Current Status of Energy Management and Consumption**



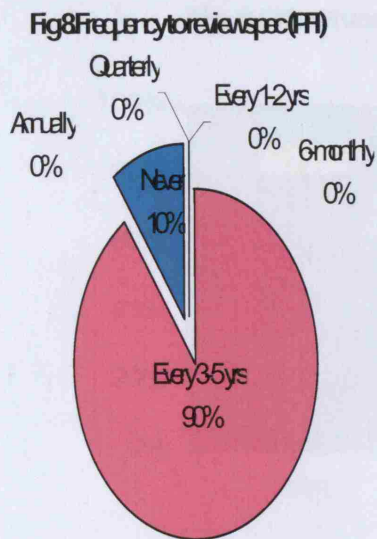
#### 4.4 Service Delivery Specifications

Service delivery specifications hold a critical key in assessing the performance of FM Service performance. A well-written service output specification is vital in respect of the achievement of cost saving, maintaining service standards, and optimum risk allocation.

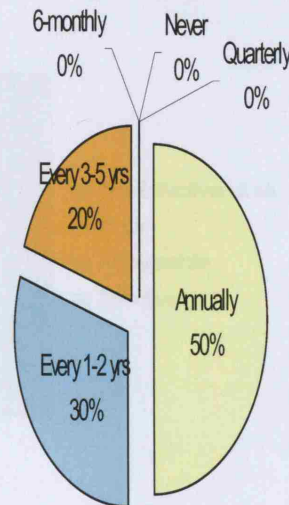
Finding reveals that all participants considered that their FM service specifications have been developed and defined through written service level agreements. **Table 3** also indicates that the majority of PFI and non-PFI respondents thought their current service specifications are at either 'Very Useful' or 'Acceptable' levels for providing performance measuring and monitoring. This result shows service specifications have developed, defined and worked well and provided a power tool in performance measuring for either PFI or non-PFI schemes.

<b>Table 3</b>	<b>PFI</b>	<b>Non-PFI</b>
<b>Very Useful</b>	2	1
<b>Acceptable</b>	8	8
<b>Not Useful</b>	0	1

Upon analyzing the survey outcome, we found that PFI schemes do not review their service specifications frequent enough to adjust the changes of service requirements. It is reported that PFI schemes normally will only do so upon request by the Trust or subject to benchmarking or market testing exercise of the contract. In contrast, non-PFI trusts have greater flexibility and control to review their specifications in a shorter term i.e. annually, every 1-2 years. **Figure 7** and **8** reveals that non-PFI trusts have reviewed their specifications more frequently than PFI projects as PFI schemes seem only to review the service specifications in a longer period of time.



**Fig 7. Frequency to review specs (Non-PFI)**

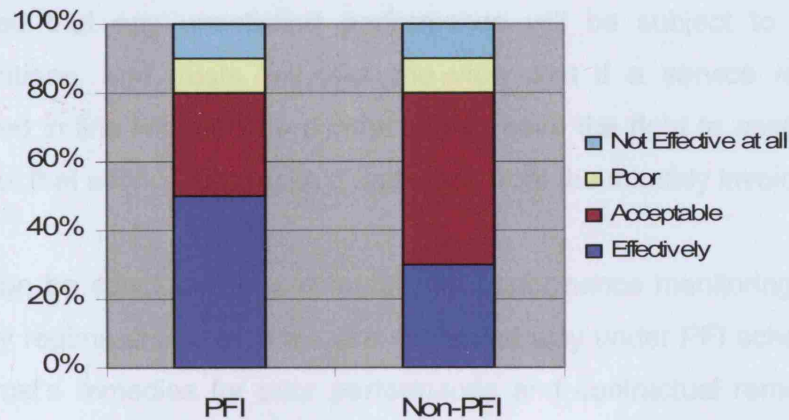


As identified by several PFI participants, such lacking of specifications review have subsequently caused frustration to Trusts and specifications are indeed required to be reviewed more frequently in order to achieve the current NHS Estates / FM good practice and standards e.g. Cleaning Standards and Better Hospital Food etc.

#### 4.5 Performance Monitoring and Penalty Regime

Monitoring performance and the consequently penalty regime is a necessary part of ensuring service standards and requirements are met under the contacts. In response to questions 12 and 13 of the questionnaire, over 75% of PFI and non-PFI participants regarded their Performance Monitoring Measure e.g. KPIs are clearly defined and majority of respondents agreed the effectiveness of the current performance regime at 'Effective' or 'Acceptable' standards to rectify service failures or penalise service default (Ref Fig 9). Such outcome indicates that current performance indicators were appropriate under PFI as well as non-PFI schemes for measuring contractor performance and offer effective monitoring in terms of a better service performance and delivery to the public service.

**Fig 9 Effectiveness of Performance Regime**



With aims to assess if PFI offers cost-effective performance, the government is introducing the performance penalty measures lied within service specifications and contained within the PFI contract called, payment mechanism, which outlines how a service delivery level against the public sector's service output specification is measured. Such mechanism aims for the public sector to undertake a unitary charge, covering both the availability of the asset and the FM services provided along with it but subject to deductions due to poor performance or lack of availability or facilities.

**Table 4** below shows the result that 100 % of PFI respondents confirmed such penalty mechanisms were in place and thought that payment-by-result mechanisms were working well whilst only 40 % of non-PFI has penalty deduction prepared within their service contracts.

**Table 4** is there a penalty regime applied if performances do not meet the service requirements?

	PFI	Non-PFI
Yes	10	4
No	0	6



Although the majority of non-PFI trusts do not have formal mechanisms in place for imposing penalties for continued poor performance, it is reported that any unsatisfied performance will be subject to local negotiations, and trusts will take the view that if a service is not provided in line with service contracts they have the right to assess a value of that service and make a deduction from the monthly invoice.

This can be concluded that although the performance monitoring and penalty regime are seen in a more structured way under PFI schemes the Trust's remedies for poor performance and contractual remedies are no different under PFI and non-PFI contracts.

There is also one issue being brought up during this research. Many PFI trusts are questioning the sufficiency of self-monitoring process and the recorded accuracy. Trusts are generally concerned that such self-monitoring record capturing methods will discourage service contractors to self-monitor, and being proactive in identifying and rectifying faults due to the impact of the payment regime which represents very similar responses to the Scottish Executive findings in 2005 report 'PPP in Scotland: Evaluation of Performance'.

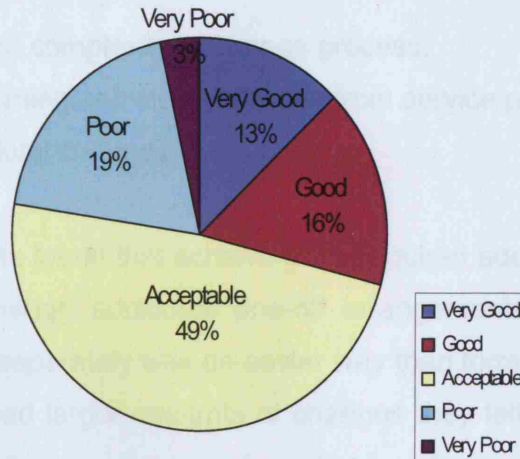
#### **4.6 Service Flexibility**

Treasury's report, Strengthening long term partnerships (2006), states that *"PFI contracts face challenges in terms of the ability to change service specifications, about relative certified flexibility between PFI and non-PFI contracts and also demonstrates a divergence of opinion between the public and private sector."*

Greater flexibility of service is required in PFI contracts as it is reasonable to expect that priorities will change over the 25-35 years of PFI contracts, and our findings found that 78% of PFI respondents believed that their contracts were generally flexible enough to cope

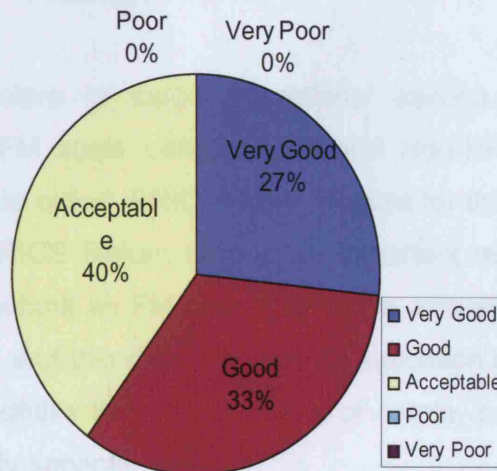
with future changes at 'Very Good/Good/Acceptable' standard with 22% considered the flexibility of services are at 'Poor or Very Poor' standards (see fig 10).

**Fig 10 Service Flexibility Under PFI Contracts**



Interesting, for non-PFI schemes, the result scored a higher satisfaction rate at 'Very Good/Good/Acceptable' standard as 100 % (see fig 11 below). All non-PFI managers feel adequate flexibility has been provided in their current contracts that allow for change and enable services to deliver on a sustained basis as expected with no negative feedback (i.e. Poor and Very Poor) at all.

**Fig 11 Service Flexibility Under Non-PFI contracts**



It is known that all PFI contracts typically contain a process for agreeing changes during the concession period. PFI respondents expressed such process is one of the main reasons why services appear inflexible under PFI contracts due to:

- Difficulty and complexity of change process;
- Time consuming and slow response from service providers, and;
- Cost of making changes to the contract.

Some PFI trusts found that achieving the required additional or change of services through additional one-off arrangements and paying for private sector separately was an easier way than formal request. As for projects that had larger amounts of changes they felt that a response from PFI contractor through formal procedure, put together an additional model for the cost of the changes, and then implement the changes is often time-consuming and frustrating.

In comparison, above result reveals non-PFI schemes offer a better flexibility of services than PFI schemes. This is a rather disappointing result as PFI aims to offer stability, reliability, flexibility, and industry leadership and this is yet to be improved.

#### **4.7 FM Cost (Value for Money)**

One of the factors to judge operational service performance is comparing the FM costs between PFI and Non-PFI schemes. The service costs data called 'ERIC Return' is used for this purpose during our research. ERICS Return data is an important requirement for all NHS Trusts to submit an FM cost information annually to Department of Health (DoH), and this data provides an indication of the cost status of Estates & Facilities Services in terms of estate, catering, cleaning, portering, security services, etc.



Some participants provided information allowing us to access ERIC RETURN directly in order to obtain relevant cost data as submitted, and others provided their current FM costs clearly instead. Table 5 shows the average FM service costs at 2005/06 as provided by the participants during the course of this study.

**Table 5 Average Service Costs 2005/06**

Service	PFI	Non-PFI
Estate	£29/m2	£27/m2
Catering	£8 per bed per day	£6 per bed per day
Domestics	£26/m2	£25/m2
Linen	£0.24 per piece	£0.26 per piece

The key findings of above 4 main FM services, Estate, Catering, Domestic and Linen are detailed as below, however to be noted that in terms of comparing current service price and value provided is somewhat limited due to the variance in scope in local service outputs.

- 1) The reported average estate maintenance cost of £27/m2 of non-PFI scheme is slightly below the PFI scheme costs of £29/m2 p.a. This variance is recognised mainly driven by levels of reactive maintenance costs and due to limited capital funding provided by the non-PFI Trust to allow for regular asset refreshment. As a result we felt the higher cost of Estate under PFI schemes is seen reasonable and acceptable in terms of providing best value.
- 2) Catering costs equates to a £8 per bed/day prices for PFI schemes that represent a 33% premium when comparing to non-PFI costs of £6 per bed/day. It is confirmed that PFI's price reflects a degree of staff cost that also provides domestic services input at bedside ward level, and considering some PFI hospital have also developed premium catering product e.g. steamplicity, to meet current NHS modernisation needs and the Better Hospital Food Guidance



Requirements. As a result this variation is considered a reasonable driver for the PFI catering price premium and it does present a Value for Money (VFM) factor.

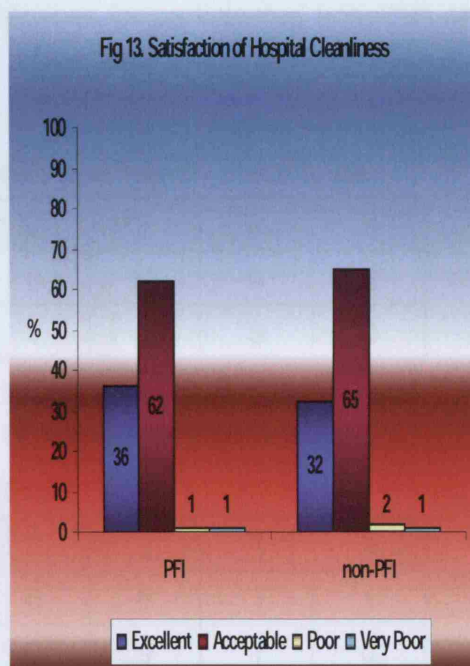
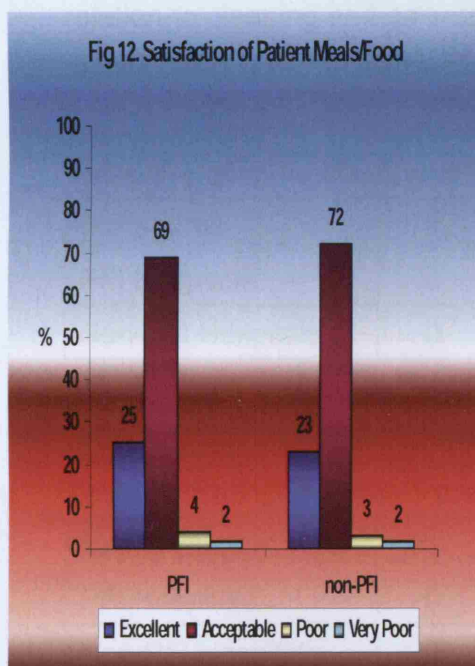
- 3) Domestic Service is showing an average cost in a range of £26/m2 for selected PFI schemes whilst non-PFI is set at £25/m2 average cost. The comparison of PFI prices and non-PFI projects shows that there is no giant 'gap' between two as it is in the region of £25-30/m2.
- 4) Laundry average unit rate is reported as being a cost of £0.26 per piece for non-PFI against current PFI price of £0.24 per piece p.a. This figure indicates a competitive rate for PFI scheme and represents good value to the Trust.

Surveys also showed that FM service costs were reviewed as frequent as every 3-5 years under non-PFI schemes, and in contrast, PFI schemes will only review their FM service costs upon benchmarking exercises (normally every 5-7 years). It is no doubt that cost certainty in public procurement under PFI scheme does represent a greater benefit than other traditional funding schemes as private sector retains risk on a long-term price.

#### **4.8 Customer Satisfaction Survey**

A consideration for the overall operational delivery and performance must take in account the user's view. All participants confirmed that they conducted operational performance on a monthly basis via a Customer Satisfaction Survey on wards internally to ensure the delivery of the FM services i.e. cleaning, catering, etc is acceptable for customers to review any necessary changes that may be required.

Graphics below demonstrate the service level of cleaning and catering services via the customer satisfaction survey. Figure 12 shows an average 25% of patients under PFI schemes rated meals as 'Excellent' quality, 69% as 'Acceptable', and less than 6 % of patients indicating catering service as a 'Poor' or 'Very Poor' standards. This customer satisfaction finding is very similar to the result of non-PFI schemes. Survey results in relation to hospital cleanliness shows over 30% of patients ranked the hospital environmental and cleanliness as 'Excellent', more than 60% considered as 'Acceptable' standard, and only 2-3% indicating a 'Poor' or 'Very Poor' service for both PFI and non-PFI schemes (ref fig 13).



Reviewing above results of customer surveys, it is to be concluded that strong soft FM services performance levels and a consistently high percentage of positive end-user views regardless of PFI schemes or not. This outcome is supporting the Treasury's view that private sector's involvement in PFI has not lead to a giant step change in terms of service delivery and performance, and such services produce good performance under PFI as well as traditional schemes.

#### 4.9 Healthcare Commission Rating

The other comparison we also used in assessing FM service performance and delivery was the rating results published by the UK Healthcare Commission. UK Healthcare Commission is formed to promote the quality of the NHS service and independent healthcare. They have a wide range of responsibilities that aim at improving the quality of healthcare. They adopt various methods to assess the performance of healthcare organisations e.g. Trust, PCT etc and award annual performance ratings, from 0 to 5 for the NHS they have reviewed. Through their website we have found the rating result in relation to cleaning and catering services for participated hospitals and summarised in the tables below:

**Table 6- Rating for clean, comfortable and friendly place to be**

Rating Star	1	2	3	4	5
PFI Hospitals	0	0	10	0	0
Non-PFI Hospitals	0	1	9	0	0

\* Rating Star: 1 represents 'Poor', 5 represents 'Good'

**Table 7 - Rating for Better Patient Food**

Rating Star	1	2	3	4	5
PFI Hospitals	0	0	8	1	1
Non-PFI Hospitals	0	0	9	1	0

\* Rating Star: 1 represents 'Poor', 5 represents 'Good'

The table 6 shows the latest ratings from the national hospital clean-up campaign of PFI and non-PFI hospitals. Our finding reveals 100 % of participated PFI hospitals have achieved 'acceptable' standards of cleanliness and a '3 star' were given, with no hospitals classed as poor. For non-PFI hospitals, over 90% of participated hospitals were ranked as 'acceptable' with a minor 10% of outcome to be seen as poor standard. The following table 7 indicates the results from NHS food



inspections, and a good score of '3' or above has been issued for both PFI and non-PFI schemes.

The scoring of healthcare commission indicates that a hospital's rating of its services appeared to remain at consistent standard whether it was PFI or not. This finding was consistent with our earlier findings of customer surveys. Overall, Customer Survey and Healthcare Commission scores indicate that PFI offered similar service standards and performance level to those of non-PFI hospitals.

#### **4.10 PEAT review**

Patient Environment Action Teams (PEAT) review is the other indicator to review the service delivery and performance. PEAT was formed in 2000, to make independent assessments in NHS hospitals. The teams consist of NHS staff, including nurses, matrons, doctors, catering and domestic service managers, executive and non-executive directors, dieticians and estates directors. They also include patients, patient representatives and members of the public.

Each year PEAT programme has adapted to reflect the changing expectations of patients, the way the NHS is organised and to ensure that the results of the programme provide an accurate picture of the standards of food and food services across the NHS in the UK which is based on what patients say is important.

Assessments look at a range of food, cleanliness, and service aspects as well as assessing a hospital's progress with meeting specifically up to six objectives to improve the availability of facilities, etc. Based on the assessments hospitals are rating services as, 'Excellent', 'Good', 'Acceptable', 'Poor' or 'Unacceptable'. The tables 8 & 9 below present the national results for 2005 of our selected PFI and Non-PFI hospitals.

**Table 8 - Domestic (Clean Hospital)**

	PEAT Scores -Better Patient Food				
	Excellent	Good	Acceptable	Poor	Unacceptable
PFI Hospitals	0	5	5	0	0
Non-PFI Hospitals	0	5	4	1	0

**Table 9 - Catering (Better Patient Food)**

	PEAT Scores - Cleanness				
	Excellent	Good	Acceptable	Poor	Unacceptable
PFI Hospitals	0	6	4	0	0
Non-PFI Hospitals	0	5	4	1	0

Above result of PEAT scores point out that the cleaning and catering services remains consistent and maintain at similar performance level within either PFI or non-PFI hospitals. This finding draws the same conclusion that scores between two funding schemes are no different as they offered comparable service standards, and such outcome reflected Treasury's view that soft services within PFI contracts are performing satisfactorily however its standards are no better or worse than non-PFI schemes.

#### **4.11 Communications and Relationship**

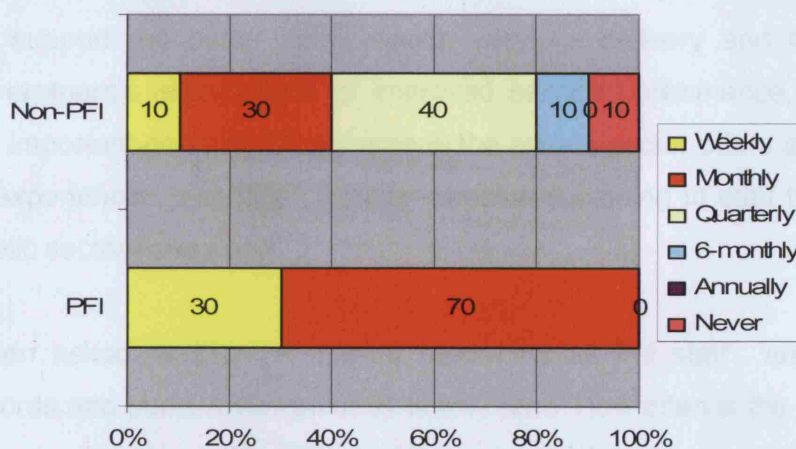
Communication and harmony working relationship plays a significant role for any success of business. To assess whether FM service

delivery and performance are appropriate, we also look into the current relationship and communication between all parties.

Our research reveals 64 percent of PFI respondents believed that their relationship was at good levels, which is much higher than Non-PFI of 36 percent (fig14).

When comparing the regularity of meeting arrangement, 100% of PFI respondents confirmed that they have formal meetings with their FM service providers to discuss issues and performance on a weekly basis or monthly basis. There are however only 40% of non-PFI participants have held meetings with service contractors frequently i.e. weekly or monthly, but majority of them only met up on a longer period of time i.e. quarterly, 6-monthly, or even 'Never' (fig 15).

**Fig 15. Frequency of Meetings**



We notice that there is a link between the frequency of meetings and working relationship because 70% of PFI participants responded that issues were often rectified and improved following regular service meetings and as a result this has reflected on higher satisfaction of current communication and relationship as we described earlier at 63%. Regular meeting is seen very useful and do promote a better working relationship and communication between all parties.



During our research, we also discovered that although while relationships are generally reported between Trust and PFI FM contractors as good, some Trust considered it is frustrating that they sometimes need to spend a great deal of time debating interpretations of the PFI contract requirements and maintaining the pressure on contractors to comply with the contract. It is also advised that the personalities of the individuals involved had a big effect on the ability to develop a successful working relationship between all parties.

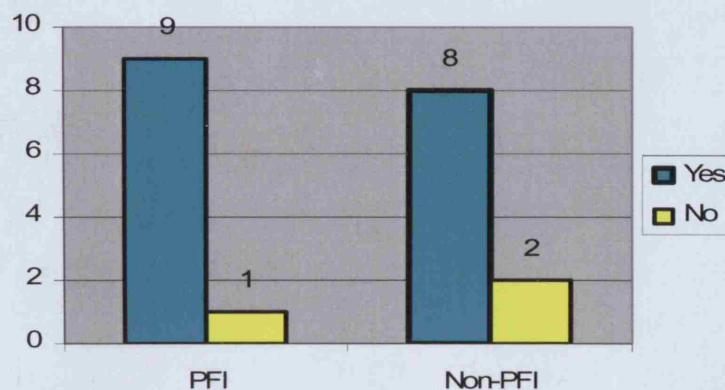
#### **4.12 Training & Skills of Staff**

‘People Creating Value’ as stated by FMA. FM services rely on people to provide various skills to maintain consistent and effective service delivery. Without these people, there is no service to be provided and FM market simply does not exist.

To support the better public sector services delivery and to meet government’s expectations of improved service performance, one of the important goals of PFI scheme is the private sector offers a variety of experienced personnel, a better-structured training to staff than the public sector have done.

When asked ‘Is there a training record for all FM staff’, ‘are these records and plans reviewed at all times?’ and ‘How often is the training programme reviewed?’ The similar results are found between PFI and non-PFI (Fig 16). Majority of PFI and non-PFI participants confirmed that their staff training records and plans are kept, maintain, and reviewed on a either quarterly or annually basis as well as to commit to Invest In People (IIP) programme.

**Fig 16. Is there a training record for all FM staff and are these training plans reviewed at all times?**



Some PFI hospitals confirmed that they provide additional training such as 'English as a second Language' to some site foreign staff in order to overcome the language barrier, etc. Although this is what we consider a proactive and positive action to ensure sufficiency of FM Service delivery by PFI providers, there is yet no significant evidence shows that PFI schemes have invested, reviewed, or trained more of their staff than non-PFI for the provision of staff training and skills.

#### 4.13 Sickness & Absence Performance

Health and Safety Executive stated statistics that sickness absence for short and long terms have cost UK business over £3.8 billion a year or more. A high level of sickness and absenteeism will no doubt affecting FM services delivery and performance, and service providers are required to proactively monitor their position on regular bases, recruiting additional staff if required to ensure the efficiency of FM Service delivery.

According to surveys conducted by the Department of Health, the national sickness absence level for 2005 is 4.5%. The rates of sickness absence vary by different type of trust as show in the table<sup>2</sup> 9 below:

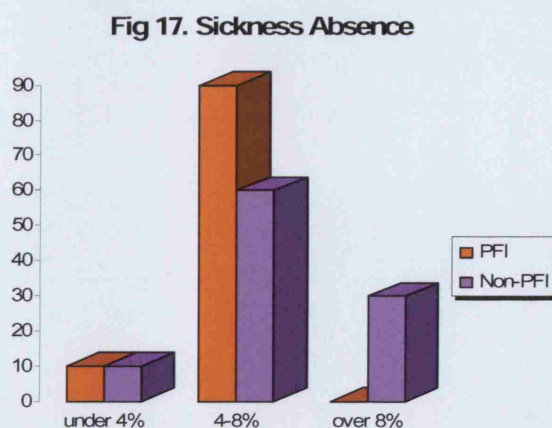
<sup>2</sup> Department of Health Website- Sickness absence rates of NHS staff in 2004



**Table 9 – National Sickness Tate Per Type of Trust\* (2005)**

Organisation Type	Sickness Absence Rate (%)
Acute	4.4
Ambulance	6.2
Mental Health & Community	5.4
PCT	4.3
Strategic Health Authority	2.5
Special Health Authority	4.5
<b>Average</b>	<b>4.6</b>

Figure 17 below shows that majority of sickness and absence rates of PFI and Non-PFI schemes are fallen within the range of 4% to 8% p.a. In detail, PFI FM staff sickness and absence level remains lower at an average 4.4% when compared to the non-PFI scheme of 4.8%. This absence rate of PFI schemes is considered good for NHS FM services staff when comparing to national average absence rate at 4.6% for 2005.



When comparing the proactiveness in reviewing their staffing resource, there are only 50% of Non-PFI participants responding positively, whilst 80% of PFI participants considered that their management team are more proactive and prompt in reviewing the position of their staffing level and absence trends on regular bases, and sufficient staff were

recruited to maintain service delivery efficiency. This is a very positive service delivery point for the PFI scheme.

## 5.0 SUMMARISED FINDINGS

It is reported that at the end of 2005, there were 700 PFI projects worth of estimated £50 billion financially closed in the UK. This figure has pushed PFI project accounts to about 11% of capital investment in the public services with the Department of Health accounting for 13% of capital value. The aim of this partnership is to increase the involvement of the private sector in the provision of public services and the improvement of service performance and delivery in public sector.

This report has reviewed and compared the current FM service delivery and performance under PFI and non-PFI health schemes with a focus on reviewing the perceived advantages and disadvantages in particular design, service specification, service satisfactions, staffing matters, etc.

The research makes use of a combination of methods to collect data, principally in-depth interviews and review documents published by HM Treasury, NAO, or other associated parties. A summary of the key findings for the conclusion of FM Services under PFI and non-PFI schemes are shown in the following table:

Principle	PFI	Non-PFI
<b>Design Prospect</b>	<ul style="list-style-type: none"><li>• Full responsibility and risk in terms of design and 'overall fitness for purpose' of FM Service performance are considered during the design process.</li><li>• 80% of PFI schemes agreed that the</li></ul>	<ul style="list-style-type: none"><li>• No evidence in relation to FM operational requirements to be fit into design</li><li>• Only small numbers of non-PFI FM managers confirmed that they have ever got involved during</li></ul>

Principle	PFI	Non-PFI
	<p>quality of design in PFI projects was investing in good design at the beginning of the project.</p> <ul style="list-style-type: none"> <li>• 60 % of PFI participants ranked current design as 'Good' and 40% as 'Acceptable' standard to assist FM Services delivery and better its performance.</li> </ul>	<p>design process when a new-build project is proposed or any internal alterations of existing buildings</p> <ul style="list-style-type: none"> <li>• 80% of non-PFI FM managers rated their hospital layout as a 'Poor' or 'Very Poor' design that do not promote a better FM service delivery and performance.</li> </ul>
<b>Estate Management Services</b>	<ul style="list-style-type: none"> <li>• Performance of estate service i.e. availability are typically the most positive.</li> <li>• Issues in relation to Repairs often required rectified by off-site staff and took longer period of time.</li> </ul>	<ul style="list-style-type: none"> <li>• 70% of non-PFI participants referred their current Hard FM services as a 'Poor/Very Poor' standard</li> </ul>
<b>Whole Lifecycle Management</b>	<ul style="list-style-type: none"> <li>• Whole Life cost and funding are available and emphasis on quality of service delivery for Hard and</li> </ul>	<ul style="list-style-type: none"> <li>• No WLC focus has caused backlog issues to many trusts.</li> </ul>

Principle	PFI	Non-PFI
	<p>Soft FM services</p> <ul style="list-style-type: none"> <li>It is however too early in the operational period to form proper judgements on whether life cycle maintenance was being carried out effectively.</li> </ul>	
<b>Energy Management</b>	<ul style="list-style-type: none"> <li>Good and positive performance. 90% of PFI participants agreed that their current status for the facilities are achieved at 'Good' or 'Acceptable' standards.</li> </ul>	<ul style="list-style-type: none"> <li>A poor performance as only 20% of non-PFI participants considered that their energy management as 'Good or Acceptable' standards.</li> </ul>
<b>Service Specifications</b>	<ul style="list-style-type: none"> <li>Agreed and defined service specifications are in place to measure performance and standards.</li> <li>Specifications do not review frequently enough to adjust the changes of service</li> </ul>	<ul style="list-style-type: none"> <li>Agreed and defined service specifications are in place to measure performance and standards.</li> <li>Specifications were reviewed more frequently to adjust the changes of</li> </ul>



Principle	PFI	Non-PFI
	requirements i.e. every 5-7 yrs.	services requirements.
<b>Performance Monitoring and Penalty Regime</b>	<ul style="list-style-type: none"> <li>• Current performance indicators are seen appropriate and more structured.</li> <li>• Standard NHS PFI Payment mechanism to apply and penalise poor performance.</li> <li>• The sufficiency of self-monitoring process and the record of accuracy remain uncertain.</li> </ul>	<ul style="list-style-type: none"> <li>• Current performance indicators are seen appropriate but less formal or in a standard form.</li> <li>• No standard form of performance and penalty mechanism to apply, but Trust's right and remedies for poor performance are no differ.</li> </ul>
<b>Service Flexibility</b>	<ul style="list-style-type: none"> <li>• Less satisfaction in terms of service flexibility.</li> <li>• Difficulty and complexity of change process has caused issues.</li> </ul>	<ul style="list-style-type: none"> <li>• Offer a better flexibility of services than PFI schemes as higher satisfaction rate at 100% were given.</li> </ul>
<b>FM Costs (Value For Money)</b>	<ul style="list-style-type: none"> <li>• FM costs with regards to estate, catering and linen provide VFM, but cleaning service remains further</li> </ul>	<ul style="list-style-type: none"> <li>• Trust has limited flexibility in terms of retaining risk on price increase.</li> </ul>

Principle	PFI	Non-PFI
	<p>review.</p> <ul style="list-style-type: none"> <li>Private sector retains risk on long-term price.</li> </ul>	
Customer Survey and Healthcare Commissions	<ul style="list-style-type: none"> <li>A strong service performance level and high percentage of positive end-user views as well as non-PFI.</li> </ul>	<ul style="list-style-type: none"> <li>Similar FM service standards and performance levels with PFI schemes.</li> </ul>
Healthcare Commissions Rating	<ul style="list-style-type: none"> <li>Average of rating 3 were given to catering and cleaning service</li> <li>Soft services remain at good standard whether it was PFI or not.</li> </ul>	<ul style="list-style-type: none"> <li>Average of rating 3 were given to catering and cleaning service</li> <li>Similar service standards and performance level were offered as PFI schemes.</li> </ul>
PEAT review	<ul style="list-style-type: none"> <li>Good scores were given but service standards are no better or worse than those non-PFI schemes.</li> </ul>	<ul style="list-style-type: none"> <li>FM services are Performing satisfactorily and offered comparable service as PFI schemes.</li> </ul>
Communication and Relationship	<ul style="list-style-type: none"> <li>64 % of PFI respondents said that</li> </ul>	<ul style="list-style-type: none"> <li>Only 36% of non-PFI participants ranked</li> </ul>

Principle	PFI	Non-PFI
	<p>their relationship and communication was at good levels.</p> <ul style="list-style-type: none"> <li>Weekly or monthly meeting were held to discuss FM service delivery and performance.</li> <li>Issues in relation to interpretations of the PFI contract requirements and maintaining the pressure on contractors to comply with the contract</li> </ul>	<p>their working relationship and communication were at Good Standard.</p> <ul style="list-style-type: none"> <li>Less frequent meetings were held which has caused certain degree of service unsatisfactions.</li> </ul>
<b>Staff Training and Skills</b>	<ul style="list-style-type: none"> <li>No significant evidence show that PFI schemes have invested, reviewed, or trained more on their staff</li> </ul>	<ul style="list-style-type: none"> <li>Having training records in place and reviewed regularly as well as commitment to IIP no differs to PFI schemes.</li> </ul>
<b>Sickness Absence</b>	<ul style="list-style-type: none"> <li>An average rate at 4.4%, which presents good performance when comparing to national average sickness rate of 4.6%</li> <li>Proactive in</li> </ul>	<ul style="list-style-type: none"> <li>An average rate at 4.8% is higher than the PFI average sickness rate of 4.4%.</li> <li>Less proactive in reviewing staffing</li> </ul>

Principle	PFI	Non-PFI
	reviewing staffing levels, resources and sickness trend.	level and sickness trend.

Response on overall FM service delivery and performance indicates a positive view provided under PFI projects. The result of this study is encouraging and has highlighted some areas of PFI that are performing relatively better than others are: -

- ✓ FM input during design process that provides a fit-for-purpose building. Improved consideration of FM service requirements in design and construction of PFI assets leading to quantifiable reduction of maintenance and operating costs of the project.
- ✓ An effective Hard FM Service to avoid unavailability of facilities.
- ✓ Lifecycle funding is in place for long-term operational strategy
- ✓ Effective energy management gives substantial energy savings and lower occupancy costs
- ✓ A well structured performance monitoring system and penalty regime have helped in monitoring service performances
- ✓ A better communication and working relationship
- ✓ A more effective staff management resource and more proactive in reviewing staffing levels, resources and sickness trend.

This report also identified potential underlying issues under PFI schemes and shows non-PFI scheme might offer a comparable performance in the areas of:

- Too early in the operational period to form proper judgements on whether life cycle maintenance was being carried out effectively.
- Sufficiency of self-monitoring process and the recorded accuracy
- Specifications do not review frequently enough to adjust the changes of services requirements and to achieve the current NHS Estates / FM good practice and standards.
- Difficulty and complexity of change process have caused issues in relation to service flexibility
- Good scores were given for both schemes under Healthcare Commissions and PEAT review, which indicates service standards are no better or worse than those non-PFI schemes
- Issues in relation to interpretations of the PFI contract requirements and maintaining the pressure on contractors to comply with the contract
- No significant evidence shows that PFI schemes have invested or trained more on their staff to promote better FM services.

With over 80% of participants agreed that the FM services hold a very valuable role within their hospitals and the outcome of service performance would ultimately affect on patient choices. This is a great changeling to how do we rectify the weakness lies within PFI schemes and ensure lessons are leant and improvement are made in the future PFI deals in order to achieve a good service performance.



## 6.0 CONCLUSION

Recently channel 4 TV programme '*Dispatches*' reveals that since 1997, New Labour has signed PFI deals worth £43 billion and in his last budget, Gordon Brown announced another £26 billion of new PFI projects to be signed on the forthcoming years. The programme criticised that PFI locks taxpayers into 30-year contracts with private companies who are charging huge mark-ups for basic maintenance or service delivery. Furthermore, it claimed that PFI hospital costs hundreds of pounds of public funding, but there are constantly battling to get a the PFI company to honour its contract, and FM services have not improved as the government expected. There are doubts and debates over this value for money scheme and this off-balance sheet of capital expenditure may cause the public uncontrolled spending in further public funding.

There is nothing wrong with PFI in principle, but indeed, the policy has to be seen to deliver in practice and the public need more evidence about how PFI is performing or not performing. The intention of this report is set to assess the service delivery on the ability to provide high quality of service performance, value for money and a fit-for- purpose infrastructure for a long-term concession period.

This research shows that the operational FM performance, in general, was best in Hard FM services e.g. estate maintenance, lifecycle management and energy management. Overall Hard FM service performance provided a positive outcome as 80% of PFI users considered Hard FM services as 'Excellent' or 'Good' Standards when comparing to only 40% of non-PFI users considered as an 'Excellent' or 'Good' services. The availability of asset and service delivery i.e. design layout, rectifying failure, etc proves a very good feedback and this indicates PFI structure is working better than non-PFI schemes in terms of Hard FM service delivery and performance.

The quality of Soft FM services i.e. cleaning, catering, etc is in the position of no better or worse between PFI and non-PFI schemes. The scoring of healthcare commission, PEAT reviews, and result of self-conduct customer survey indicated that a hospital's services performance appeared to remain consistent whether it was PFI or not. It is evident that PFI offered comparable service levels to those for non-PFI hospitals, and it can be concluded that PFI do not offer a giant step change in terms of service delivery and performance as the government expected.

Form the VFM point of view, FM costs do potentially offers best value to authorities especially in catering, linen and estate services. Cost certainly under PFI schemes, no doubt, represents a greater benefit than other traditional funding schemes as private sector retains risk on a long-term price.

While relationships are generally reported at a better standard under PFI contracts than non-PFI, some PFI Trust expressed that they however need to spend a great deal of time debating interpretations of the PFI contract requirements and putting the pressure on service contractors to provide some level of service flexibility without referring to the contract every single time.

It is seen that PFI schemes have more proactive and prompt approach in reviewing their position of the staffing level and monitoring absence trends on regular bases to ensure sufficiency of staffing resources is maintained for service delivery efficiency. However, there is no significant evidence shows that PFI schemes have invested, reviewed, or trained more of their staff than non-PFI for the provision of staff training and skills.

It is understandable that the public sector wanted and expected to receive more benefits from the PFI process. There is however some

challenges for public and private sectors to work together on the service delivery and performance of the PFI schemes, especially further research is required to look at ways of enhancing service flexibility, etc. Government needs to encourage changes of PFI processes where necessary, and understand what are the weaknesses that required improvements. It is no doubt that the experience we gained from the current PFI deals will certainly help in the future development of PFI schemes and improve the FM service performance.

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## APPENDIXES 1 - QUESTIONNAIRES

### Design

1. Do you consider that FM specifications/service requirements have always been incorporated into hospital design/layout e.g. long life easily maintained floor coverings etc?

☐ Always ☐ Sometimes ☐ Never

2. As an FM manager, do you ever get involved during design process when a new-build project is proposed or any internal alterations of existing buildings, etc?

☐ Always ☐ Sometimes ☐ Never

3. How effective is your current hospital layout in benefiting FM service delivery and performance?

☐ Good ☐ Acceptable ☐ Poor ☐ Very Poor

### Hard FM/LCC/Energy

4. How effective is your Hard FM Maintenance service in preventing or avoiding unavailability of your facility(ies)?

☐ Good ☐ Acceptable ☐ Poor ☐ Very Poor

5. Is there a lifecycle management and reserve fund in place for replacement maintenance within the facility(ies) to ensure standards are maintained during the building life span?

☐ Yes, Always ☐ About half of time only ☐ No, no such fund

6. Can you confirm your current hospital's status of Energy Management and Consumption?

☐ Good ☐ Acceptable ☐ Poor ☐ Very Poor

7. Can you confirm your current hospitals status of space utilisation?

☐ Good ☐ Acceptable ☐ Poor ☐ Very Poor

### **Service Specifications**

8. Are there clear and defined FM service specifications in place?

☐ Yes ☐ No

9. Are service specifications and requirements reviewed and updated regularly?

☐ Quarterly ☐ 6-monthly ☐ Annually  
☐ Every 1-2 yrs ☐ Every 3-5 yrs ☐ Over 5 yrs ☐ never

10. Do you consider the current service specifications are useful for performance measuring and monitoring?

☐ Very Useful ☐ Acceptable ☐ Not Useful

11. In your view, how flexible are the current defined FM services specifications and this can be updated and adopted to meet the future service requirements?

☐ Very Flexibility ☐ Acceptable ☐ Poor ☐ Not Flexibility At All

### **Service Performance and Monitoring Regimes**

12. Are there clearly defined Performance Monitoring Measure e.g. KPIs?

☐ Yes ☐ No

13. How effectively do you think the performance regime works?

☐ Effectively ☐ Acceptable ☐ Poor ☐ Not Effectively At All

14. Is there a penalty regime if performances do not meet the service requirements? ☐ Yes ☐ No



15. If yes, were there any financial deductions in the past 12 months for poor performance and what is the main reason for such poor outcome?

☐ Yes ☐ No

16. If there is no penalty regime in relation to performance, how do you penalise the provider for poor performance?

### **FM Costs (VFM)**

17. What is your current FM cost for Catering Service?

☐ <£5 per bed/day ☐ £6-9 p b/d ☐ £9-12 p b/d ☐ >£12 per d/d

18. What method of Patient Catering the hospital is using?

☐ Cook Chill ☐ Cook Freeze ☐ Steamplivity ☐ Others

19. What is your current FM cost for Cleaning Service?

☐ <20/m2 ☐ £20-25/m2 ☐ £25-30/m2 ☐ >30/m2

20. What is your current FM cost for Linen Service?

☐ <20p per piece per bed/day  
☐ 20p-25p per piece per bed/day  
☐ 25p-30 per piece per bed/day  
☐ >30p per piece per bed/day

21. How often are the FM service costs to be reviewed?

☐ Yearly ☐ Every 1-2 yrs ☐ every 3-5 yrs ☐ Every 5-10 yrs ☐ Never

22. I would be grateful if I can obtain ERIC Return data to access the cost data of Catering, Cleaning, Linen, Portering and Security for comparisons. Information will be treated in a strictest confidential

☐ Yes, access code      ☐ No, this information cannot be disclosed

**Relationship and Communications**

23. How often do you meet with service providers to discuss issues and performance of FM services provided?

☐ Weekly ☐ Monthly ☐ Quarterly ☐ 6-monthly ☐ Annually ☐ Never

24. Follow above question, in your view, how effectively are issues rectified following the meetings?

☐ Very Good      ☐ Good      ☐ Acceptable      ☐ Poor      ☐ Very Poor

25. How accessible is FM service information to the Trust?

☐ Very Good      ☐ Acceptable      ☐ Not Accessible At All

26. Overall, in your view how effective is the communication and relationship between the Trust and Service Providers?

☐ Good      ☐ Acceptable      ☐ Poor      ☐ Very Poor

**Flexibility of Service (e.g. reactive requests, etc)**

27. In your view, how effective and flexible is the current Catering Service delivery?

☐ Very Good      ☐ Good      ☐ Acceptable      ☐ Poor      ☐ Very Poor

28. In your view, how effective and flexible is the current Cleaning Service delivery?

☐ Very Good      ☐ Good      ☐ Acceptable      ☐ Poor      ☐ Very Poor

29. In your view, how effective and flexible is the current Linen Service delivery?

☐ Very Good      ☐ Good      ☐ Acceptable      ☐ Poor      ☐ Very Poor

### **Customer Surveys**

30. Are customer satisfactions survey undertaken?

☐ Yes ☐ No

31. If yes to above question, what is the general result of Patient food for the past 12 months?

☐ Excellent ☐ Acceptance ☐ Poor ☐ Very Poor

32. If yes to question 30, what is the general result of hospital cleanliness for the past 12 months?

☐ Excellent ☐ Acceptance ☐ Poor ☐ Very Poor

### **HR Matter: Resource, training, absence**

33. Is there a training record for all FM staff and are these records reviewed at all times?

☐ Yes ☐ No

34. How often is the training programme reviewed?

☐ Monthly ☐ Quarterly ☐ Annually ☐ Never

35. Do you commit to Invest in People programme?

☐ Yes ☐ No

36. What are the general sickness & absence rate for FM staff the past 12 months?

☐ Under 4% ☐ 4-8% ☐ over 8%

### **Overall**

37. In your view, what level of Hard FM services (i.e. Asset, Estate) delivery and performance is being achieved within your hospital?

☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor ☐ Very Poor

38. In your view, what level of Soft FM services (i.e. catering, cleaning) delivery and performance is being achieved within your hospital?

☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor ☐ Very Poor

39. In your view, what value do FM Services present within your organisation?

☐ High, very valuable ☐ Acceptable ☐ Low, not value at all

40. In your view, how likely is you to consider the FM service delivery and outcome of such performance would affect on patient choices?

☐ Very likely ☐ Maybe ☐ Not at all

Thank you for taking the time to fill out this questionnaire. Please email it to:  
[kate0722@pchome.com.tw](mailto:kate0722@pchome.com.tw)

Your swift response would be most appreciated. A copy of finished research will be sent to you for information if required.